



**Connecticut State Medical Society
Connecticut Chapter of the American College of Physicians
Connecticut Chapter of the American College of Surgeons
Testimony on Senate Bill 204 An Act Concerning the State Medical Loss Ratio**

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**Insurance and Real Estate Committee
March 1, 2012**

Senator Crisco, Representative Megna and members of the Insurance and Real estate Committee, on behalf of the more than 8,500 physicians and physicians in training of the Connecticut State Medical Society (CSMS) and the Connecticut Chapters of the American College of Physicians and the American College of Surgeons, thank you for opportunity to provide this testimony to you today in support of **Senate Bill 204 An Act Concerning the State Medical Loss Ratio.**

CSMS supports **Senate Bill 204** that would require for-profit health insurers in this state to provide information regarding the medical loss ratio of the company annually to the Insurance Commissioner as well as adhere to a clearly defined medical loss ratio. CSMS has consistently advocated for transparency in all aspects of the health insurance industry and strongly believes that consumers have a right to know the exact portion of their premium dollar that is spent directly on health care services. In addition, insurers should be required to expend a significant percentage of premium dollars on direct health care services, though we also recognize that there are necessary administrative expenses that are incurred by insurers tied to insurance coverage.

At a time when consumer health insurance premiums are increasing and physician reimbursements are dropping or remaining stagnant, for-profit health insurance company profits continue to rise at astounding, and at times, astronomical rates. True transparency is essential to eliminating unnecessary costs within the health insurance system. If consumers are to make educated health care decisions, they need accurate and detailed data on how insurers spend their premium dollars. In addition, consumers and employers should be assured that a substantial portion of those premium dollars are being used on legitimate health care services and not administrative costs as appropriately defined in the bill.

Please support Senate Bill 204.